

city of  
**Regina**

**1999**

♦

**ANNUAL  
FINANCIAL  
REPORT**

♦

**YEAR ENDED  
DECEMBER 31, 1999**

♦



**CITY OF REGINA**

**SASKATCHEWAN, CANADA**

**Annual Financial Report**

**Year Ended December 31, 1999**



# Table of Contents

	Page
<b>Letter of Transmittal .....</b>	<b>1</b>
 <b>Introductory Section</b>	
Overview of the City of Regina .....	5
Political Organization .....	8
Municipal Administration .....	10
 <b>Financial Section</b>	
<b>Consolidated Financial Statements</b>	
Management's Report .....	17
Auditors' Report .....	18
Consolidated Statement of Financial Position .....	19
Consolidated Statement of Financial Activities and Changes in Fund Balance .....	20
Consolidated Statement of Changes in Financial Position .....	21
Consolidated Statement of Changes in Unexpended Capital Financing .....	22
Notes to Consolidated Financial Statements .....	23
Non-Consolidated Schedule of Financial Activities and Changes in Fund Balance .....	35
 <b>General Trust Fund</b>	
Auditors' Report .....	37
Balance Sheet .....	38
Statement of Revenue, Expenditures and Fund Balance .....	39
Notes to Financial Statements .....	40
 <b>Statistical Section</b>	
Assessment and Taxation Information .....	41
Financial Information .....	43
Debt Information .....	48
Reserve Information .....	51
Demographic and Economic Information .....	52
Related Boards and Authorities .....	53

# Canadian Award for Financial Reporting

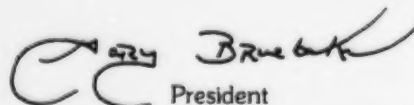
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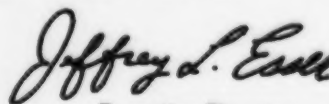
City of  
Regina

For its Annual  
Financial Report  
for the Year Ended  
December 31, 1998

A Canadian Award for Financial Reporting  
is presented by the Government Finance Officers  
Association of the United States and Canada  
to municipalities whose annual financial reports  
achieve the high program standards for Canadian  
Government accounting and financial reporting.



  
President

  
Executive Director

May 10, 2000

His Worship the Mayor and Members of City Council

The City of Regina Annual Financial Report for the year ending December 31, 1999 is enclosed. As required by Section 73 of *The Urban Municipality Act, 1984 (UMA)*, the financial report includes consolidated financial statements for the City of Regina reporting entity as defined by the Public Sector Accounting Standards. The purpose of this report is to provide financial, statistical and other information about the City of Regina and related entities to allow readers to gain an understanding of the City and the resources available to the City.

The Annual Financial Report consists of the following sections:

- The introductory section is to familiarize the readers of the report with the history of our City, the political and organizational structure of the City of Regina, and the nature and scope of the services provided by the City.
- The financial section consists of various levels of financial detail to help people understand the financial resources available to the City. The section includes the Consolidated Financial Statements and Supplementary Schedules.
- The statistical section contains additional information to provide a broader understanding of the City of Regina.

The preparation and presentation of the financial statements and related information contained in this annual report is the responsibility of the management of the City of Regina. The statements have been prepared on a basis consistent with the recommendations of the Public Sector Accounting Board (PSAB). Included in the consolidated financial statements are those entities that are both accountable and owned or controlled by the City of Regina as defined by the PSAB. These entities include: the Regina Public Library, the Regina Regional Economic Development Authority, the Regina Pioneer Village, the City of Regina Sinking Fund, Regina's Market Square and Buffalo Pound Water Administration Board. The supplementary schedule to the financial statements is prepared without consolidating these entities.

City Council has appointed the accounting firm of Ernst and Young, LLP to perform an independent audit of the City's 1999 financial statements, and their report is included herein. The accuracy and reliability of the financial information is ensured by the City's system of internal controls. The City's Finance and Administration Committee is required to review the external auditors' audit plan. The Finance and Administration Committee must also ensure corrective action is taken for weaknesses identified in the City's internal control system.

The planning and development of annual budgets for operating and capital is a fundamental component of the City's financial administration. A key budget principle as established by City Council is to continue to provide basic community services while keeping any municipal tax rate increase at or below the rate of inflation. In 1999 municipal taxes were increased by 1.9% to maintain core programs and service levels. For 2000, the municipal tax rate will increase by 1.33%.





The list of the budget principles includes the following:

- The City will pursue continuous improvement of quality of life through social and economic development, which respects the sustainable capacity of our human, fiscal and environmental resources.
- The City will keep tax rate increases at or below inflation.
- The City will produce a balanced budget each year, and ensure operating results achieve a balanced position or surplus.
- The City will preserve basic, established service levels and to maintain funding levels to community-based organizations.
- The City will preserve and renew its infrastructure as a priority over developing new infrastructure.
- The Water and Sewer utility will be self-supporting, with revenues covering capital and operating costs. The utility will transfer funds to the City's general operating fund to help pay for services that benefit all Regina citizens. Utility rates ensure equity and the City's commitment to conservation.
- The City will fund capital projects on a "pay as you go" basis. Debt financing will be used only for utility capital projects.
- The City will maintain or improve property and business tax level comparisons with Winnipeg, Saskatoon, Calgary and Edmonton.
- The City will continue to review and adjust user fees as necessary, to ensure that the funding of services maintains a reasonable balance between user fee revenues and the general revenue base of the City.
- The City will maintain strong financial reserves.
- The City will maintain or improve the current AA+ bond rating from the Canadian Bond Rating Service.
- The City is committed to enhance staff development, training, communication, participation, and employee health.
- The City will maintain the financial soundness of employee pension plans.

Commitment to the budget principles and responsible financial controls produced a surplus in 1999 of \$737,000. The City's AA+ bond rating with a stable rating outlook from the Canadian Bond Rating Service was also maintained in 1999.

Total revenues in the Schedule to the consolidated financial statements increased by \$4.5 million from 1998 to 1999. Taxation revenue increased \$1.8 million due to a growth in the property assessment base and a mill rate increase; Water and Sewer Utility revenue decreased by \$1.0 million due to changes in water consumption; fiscal revenues increased by \$1.4 million due to higher short-term interest rates, cash availability for investing, and higher gas distribution surcharge revenues; and other revenues increased by \$1.7 million due to changes in estimates, mainly related to the landfill closure and post-closure liability.

Total expenditures in the Schedule to the consolidated financial statements increased by \$4.2 million. Water and Sewer Utility expenditures increased \$0.9 million due to increased repair costs. In general, expenditures increased due to increased payroll costs.

His Worship the Mayor and Members of City Council  
May 10, 2000  
Page 3

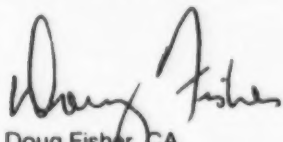
A successful 1999 provides a sound foundation for the coming year. The phase-in of tax changes as a result of the reassessment will virtually be complete in 2000 and the City of Regina will eliminate the business tax.

The City's achievements in providing accurate and articulate financial statements were recognized by the Government Finance Officers Association of the United States and Canada (GFOA) for the seventh consecutive year. GFOA awarded a Canadian Award for Financial Reporting to the City of Regina for its annual financial report for the fiscal year ended December 31, 1998. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Doug Fisher". The signature is fluid and cursive, with the first name "Doug" and last name "Fisher" clearly distinguishable.

Doug Fisher, CA  
Director of Finance



**City of Regina**  
**Introductory Section**



**R**egina is the capital city of the Province of Saskatchewan. Located on prime agricultural land in the heart of the Canadian prairie, Regina is the major trading centre for goods and services in southern Saskatchewan. Regina has a diverse, mixed economy that boasts healthy commercial activity, strong manufacturing and technology sectors, and a growing service sector.

**M**ore than 191,000 people make their home in Regina. From a relatively dry, sparsely-treed site, the city has developed a pleasant urban setting highlighted by beautiful Wascana Lake, a man-made body of water in front of the imposing Provincial Legislative Building.



**R**egina has a well-developed and well-maintained infrastructure. The city has no abundant natural water sources and depends on Buffalo Pound Lake to the west. These facilities are continuously developed, expanded and upgraded.

**T**he Canadian Pacific Railway sparked Regina's growth in 1882 by running a rail line through the undeveloped town-site, which was then a vast, treeless plain. The following year, Regina was declared the capital city of the Northwest Territories, and in 1905 it was named the capital of Saskatchewan.

**T**his status benefited the city, for it became the location of many public institutions and a major portion of the provincial civil service. Regina is also the home of the Royal Canadian Mounted Police, the site of the provincial R.C.M.P. headquarters, and national training depot for the force.

**F**rom the beginning, agriculture was the dominant sector in Regina's economy. The city became the distribution point for farm machinery for the western Canadian grain belt, and was a natural choice as a site for head offices of banks, trust companies and insurance companies. Saskatchewan Co-operative Wheat Producers Limited, the forerunner of the Saskatchewan Wheat Pool, was formed during the 1920's, giving another boost to Regina's agricultural base.

**T**his rapid growth forced an expansion of Regina's municipal infrastructure. Beautification projects were undertaken, culminating in the extensive tree-planting program in Wascana Centre and throughout the city. Until the stock market crash of 1929 and the subsequent crop failures, Regina enjoyed an economic boom.

**S**ince the end of World War II, Regina has experienced steady growth. The economy has diversified away from agriculture with the addition of an oil refinery, the Consumers Cooperative Heavy Oil Upgrader, the University of Regina, steel-producer IPSCO, and many others.

**R**egina has become an oasis of green on the golden prairie. The growth of its "urban forest" is a testimony to the vision of City planners. More than half a million hand-planted trees grace the city's streets and parks. They exemplify the pioneer spirit and optimism upon which Regina was built.

**R**egina's strong and stable economy is due in large part to the provincial government's presence. The city is also a regional centre for health care, financial services, and agriculture. Regina's long-term stability depends on economic growth and diversification.

**C**ity Council is continuing its commitment to establishing Regina as a business-friendly community. 1999 saw a 40 per cent reduction in the city's business tax, marking the second year of a three-year plan to phase out the tax entirely. The strategy has already enhanced growth in Regina's business sector. 2000 will see the elimination of the business tax. Surveys of local businesses show increased optimism about future hiring and growth.

**R**egina's low-cost environment has helped it develop a strong nucleus of high-tech companies. The University of Regina is at the centre of this industry, with its new Research and Development Park. In 1999, construction began on another component of the complex – the Petroleum Technology Research Centre. It is a multi-million dollar partnership between governments, the University of Regina, and the business community, and will employ more than 50 scientists and undergraduate students.

**O**ver the past few years, Regina has become a popular location for national call centres. Regina is now home to call centres for businesses such as Sears, CIBC and the Royal Bank. This is due, in large part to the low cost of office space and the cutting edge technology developed by the provincial crown corporation, SaskTel.



**E**conomic downturns have not had dramatic or lasting effect on Regina's economy. Housing costs are among the lowest of major Canadian cities, and Regina's unemployment rate has consistently remained below the national average.

**T**he city continues to enjoy the economic benefits from annual events such as Canadian Western Agribition, Western Canadian Farm Progress Show, and Buffalo Days Exhibition. In 2000, other significant events are planned. Regina will become the only city besides London, England to ever host the International Grains Council Conference. In 2001, the city will host Canada's junior hockey championship, the Memorial Cup.



## Political Organization

**R**egina uses a Council-Manager form of government. It is comprised of a City Council, standing committees, and other committees, boards and commissions. The Council consists of a Mayor and ten Councillors. Each Councillor represents one city ward for a three-year term. The next election will be held on Wednesday, October 25, 2000.

**C**ity Council's primary responsibility is to provide policy direction under which the municipality operates. Council also sets the long-range service goals, and approves the municipality's operating and capital budgets.

**T**he Mayor presides at all meetings of City Council and is the ceremonial head of the municipal government. The Mayor and City Clerk are the municipality's official signing officers. Pursuant to *The Urban Municipality Act, 1984 (UMA)*, the Mayor is an ex-officio member of the Standing Committees of Council. These committees make recommendations to City Council and in some cases, are authorized to act on behalf of City Council.

Community Services Committee  
Executive Committee  
Finance and Administration Committee  
Municipal Heritage Advisory Committee  
Parks and Recreation Board  
Regina Planning Commission  
Works and Utilities Committee  
Board of Revision  
Development Appeals Board  
District Appeals Board, Regina  
Property Control and License Review Committee

Advisory Committee on Access  
Board of Police Commissioners  
Cemeteries Advisory Committee  
Crime Prevention Commission  
Emergency Measures Committee  
Paratransit Advisory Board  
Pioneer Village Board of Directors  
Regina Arts Commission  
Regina's Market Square  
Regina Public Library Board  
Regina Regional Economic Development Authority  
Regina Urban Environment Advisory Council  
Secretariat Committee  
Social Development Grants Board  
Transit Advisory Board

# City of Regina

## City Council

### 1997 - 2000



**1**  
Councillor  
Mike Badham  
586-5456



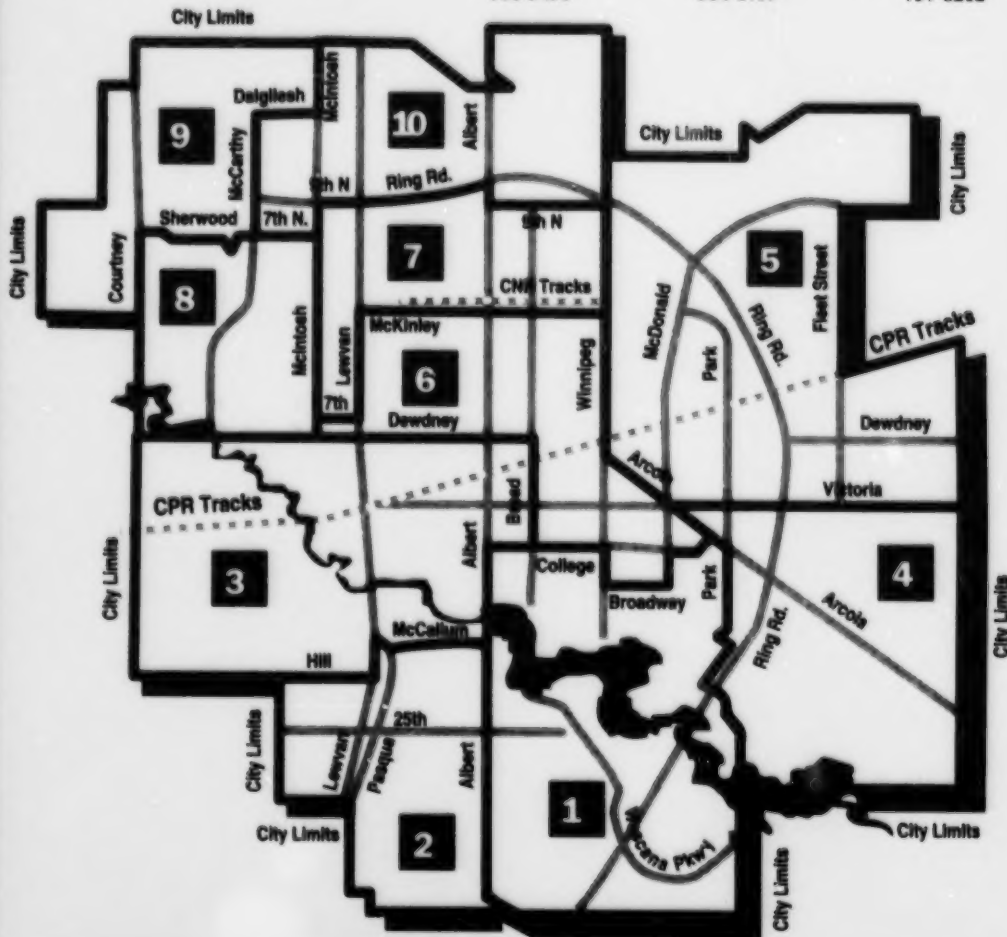
**2**  
Councillor  
Bill Hutchinson  
584-1739



**3**  
Councillor  
Fred Clipsham  
757-8212



**4**  
Councillor  
Michael Fougere  
789-5586



**Mayor**  
Doug Archer  
777-7339



**5**  
Councillor  
Bill Gray  
761-0919



**6**  
Councillor  
Rob Deglau  
522-3331



**7**  
Councillor  
Ray Hamilton  
543-1285



**8**  
Councillor  
Vic McDougall  
757-8316



**9**  
Councillor  
Darlene Hincks  
545-0229



**10**  
Councillor  
Bill Wells  
545-5281



## Municipal Administration

### Municipal Government Overview

**T**he City Manager is the chief administrative officer of the City of Regina and is appointed by Council. The duties and powers of this position are set out in the City Managers Bylaw. The City Manager advises Council on all matters related to the City's programs and services. In addition, the City Manager is responsible and accountable for directing and organizing the administration so as to achieve the goals and objectives of the City in the most economic, effective and efficient manner possible.

**T**he corporate organization reporting to the City Manager includes the following departments:

- City Manager's Department
- City Clerk's Department
- Community Services Department
- Finance Department
- Fire Department
- Human Resources Department
- Legal Department
- Municipal Engineering Department
- Public Works Department
- Support Services Department
- Transit Department

**R**egina's Chief of Police reports directly to the Board of Police Commissioners.

### City Manager's Department

**T**he City Manager's Department is comprised of the following divisions: Public Affairs, Pension and Benefits, Emergency Planning, Real Estate, and Employee and Family Assistance. Each division reports to the City Manager.

**T**he Public Affairs Division promotes the city as a community and works to develop an understanding and appreciation among Regina's citizens of the programs and services of the city. Public Affairs accomplishes this through the coordination and direction of media relations, advertising, production services, external communications and internal communications for the city.

**T**he Pension and Benefits Division administers pension plans, disability, and group insurance benefits on behalf of the city and the Pension Administration Boards.

**E**mergency Planning is responsible for planning the response to major emergencies or disasters. This division co-ordinates the activities of other city departments, government departments, private industry and volunteers who respond to major emergencies.

**T**he Real Estate Division acts as the city's in-house realtor, providing buying, leasing, selling and development services for all lands owned by the city and not used by another city department.

**T**he Employee and Family Assistance Program is a cooperative effort between the city and its unions and associations. Its purpose is to provide employees, their immediate family and retired employees confidential, professional counselling to assist them to overcome a wide range of personal problems.

## **City Clerk's Department**

**T**he City Clerk's Department acts as the Secretary of the city. Officials from the City Clerk's Department attend all Council and Committee meetings and transmit to the Administration the decisions made at such meetings. The maintenance of bylaws and archiving of records is also included, along with the provision of secretarial and staff support to City Councillors.

**T**he City Clerk acts as a signing officer for the city, ensures the proper approval before affixing the Corporate Seal and provides a link between the general public, the City Administration and City Council. The City Clerk also acts as Returning Officer for civic elections.

## **Community Services Department**

**C**ommunity Services provides services which enhance the quality of life for the citizens of Regina. The Department facilitates urban development in many areas. Its divisions provide building permit and inspection services, develop recreation programs, art facilities and landscape design, and maintain parks and "open space" areas. The department investigates suspected violations of city bylaws on land use or property maintenance, such as noxious weeds or unsightly property. It also works to provide land use planning, development and heritage planning. The department helps the disadvantaged become self-sufficient.

## **Finance Department**

**T**he Finance Department provides corporate leadership, management and support to develop, promote and safeguard the economic, financial and information resources for the benefit of the city. The divisions in this department provide accounting services, payroll services, debt management, capital financing, revenue administration, customer billing and collections, and the acquisition of goods, materials and contracted services.

**T**he divisions handle the assessment of all land, improvements and businesses within the municipality for the purpose of taxation. They bill and collect property taxes, business taxes and grants-in-lieu of taxes.

**T**he Finance Department also supports the development and monitoring of the budget and provides other support to the budget and financial processes. It issues licenses, provides information processing and related services, manages cash flows, and provides investment services for the city, its pension plans and trust funds.

## **Fire Department**

**T**he Fire Department provides for fire suppression, emergency response to dangerous situations such as hazardous material incidents, fire prevention by means of public education and awareness, inspections, and enforcement of fire codes and regulations.

## **Human Resources Department**

**T**he Human Resources Department provides staff recruitment services, salary and benefit management, employee training and development, collective bargaining and labour relations, occupational health and safety programs, employee wellness programs, and promotes employment equity within the corporation.

## **Legal Department**

**T**he Legal Department provides general legal services to City Council and the Administration, including the defense of all actions against the City and the prosecution of the violations of bylaws. This department provides insurance and risk management services.

## **Municipal Engineering Department**

**T**he Municipal Engineering Department is responsible for planning, design and construction of the elements for the supply and distribution of water, the collection and disposal of solid and liquid wastes, the routing and control of surface drainage, the safe and efficient movement of people and goods, development and inspection services, and the protection and preservation of the natural environment.

## **Public Works Department**

**T**he Public Works Department is responsible for sewage and water line maintenance, wellfield and water pumping operations, road maintenance and snow removal, traffic system maintenance, waste disposal, and the sewage treatment system.

## **Support Services Department**

**S**upport Services Department provides facility management, energy management, equipment, vehicles and materials to maintain the infrastructure or assist other departments. The divisions in this department are responsible for energy management for all City facilities and machinery, and inventory control of bulk granular materials. The department provides vehicles and equipment for the construction and maintenance of municipal infrastructure.

## **Transit Department**

**T**he Transit Department provides regular bus route service within the City of Regina, including the provision of information regarding bus routes, and advertising and marketing programs to promote the use of public transportation. This results in an efficient and effective means of public transportation. It also improves accessibility to the core area to promote downtown redevelopment and expansion, and to meet the travel demands generated by higher density growth. Through Regina Paratransit Service, the department also provides service to nearly 5,000 disabled residents who require accessible transportation.



## Police Department

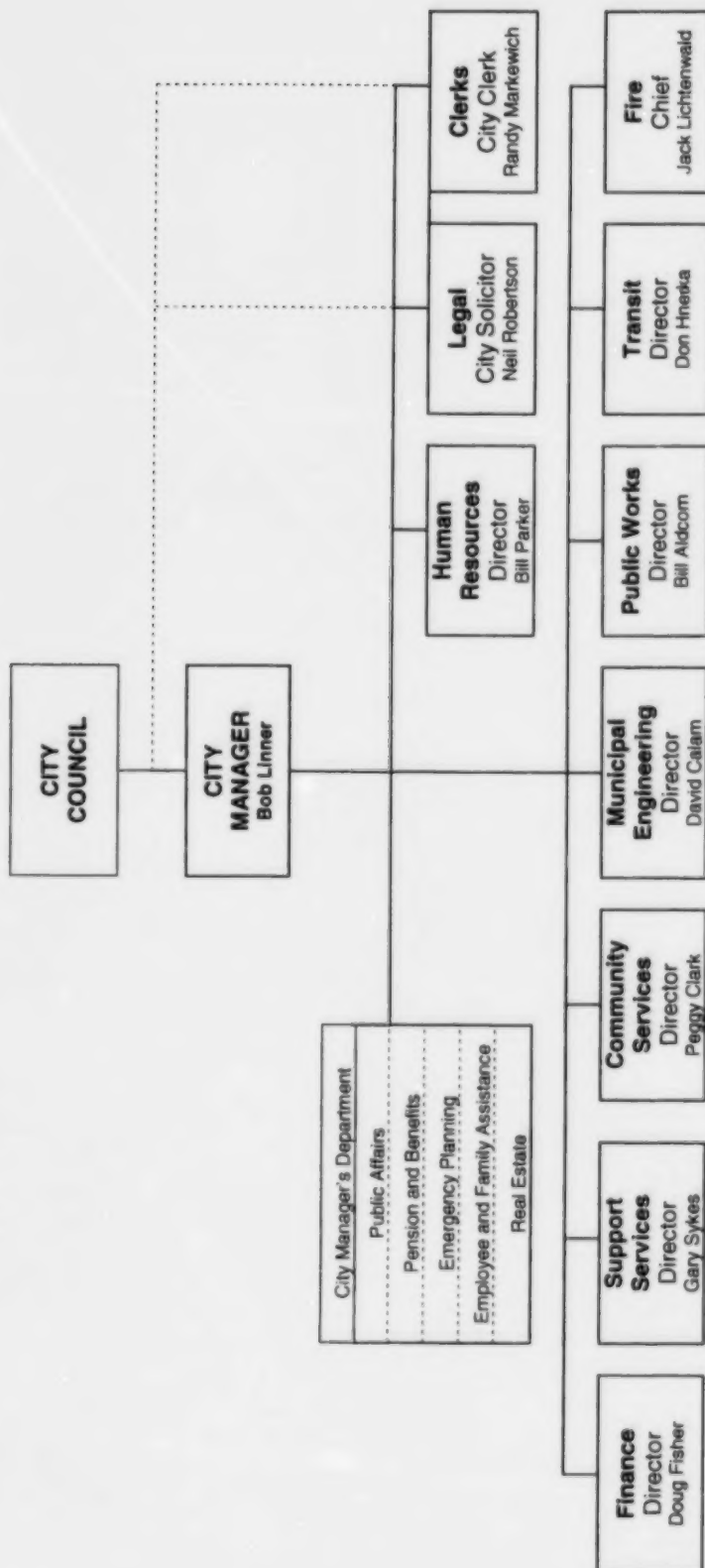
**T**he City of Regina is responsible, pursuant to *The Police Act of Saskatchewan*, for the maintenance of law and order within its boundaries. The city is required to appoint a Board of Police Commissioners, which in turn is required to provide a police force to maintain a reasonable standard of law enforcement. A majority of Board members are required to be members of City Council.

**T**he annual budget of the Board of Police Commissioners must be approved by City Council, and the Board may not authorize any expenditures in excess of the total budget, nor approve an expenditure for a matter or purpose not originally budgeted for, without the prior approval of City Council. Funding for the police budget is provided from general municipal funds.

**T**he day-to-day operations of the police force are directed by the Chief of Police, who is a statutory agent of the Board of Police Commissioners and acts under its general direction. The power of City Council extends to the appointment of the Board and the approval of the Board's budget but does not extend to operational matters.



# City of Regina Organizational Structure







**City of Regina**  
**Financial Section**



**City of Regina**  
**Consolidated Financial Statements**

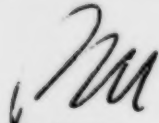


## Management's Report

The management of the City of Regina is responsible for the integrity of the accompanying consolidated financial statements and all other information within this Annual Report. The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles for the public sector recommended by the Canadian Institute of Chartered Accountants. The preparation of the consolidated financial statements necessarily includes some amounts which are based on the best estimates and judgements of management. Financial data elsewhere in the Annual Report is consistent with that of the financial statements.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The consolidated financial statements have been audited by the independent firm of Ernst and Young LLP. Their report to the Mayor and City Council, stating the scope of their examination and opinion of the consolidated financial statements, follows.



Bob Linner  
City Manager

May 5, 2000



Doug Fisher, CA  
Director of Finance



## Auditors' Report

To: His Worship the Mayor and  
Members of City Council

We have audited the consolidated statement of financial position of the City of Regina as at December 31, 1999 and the consolidated statements of financial activities and changes in fund balance, changes in financial position, and changes in unexpended capital financing for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Regina as at December 31, 1999, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for the public sector recommended by the Canadian Institute of Chartered Accountants.

*Ernst & Young LLP*

Regina, Canada,  
May 5, 2000

Chartered Accountants

## Consolidated Statement of Financial Position

	1999 \$ (000's)	Restated (Note 21) 1998 \$ (000's)
<b>ASSETS</b>		
Current Financial Assets		
Cash	11,246	9,666
Short-Term Investments - Note 3	32,974	51,406
Accounts Receivable	20,228	19,796
Taxes Receivable - Note 4	7,270	8,475
	<u>71,718</u>	<u>89,343</u>
Property Held for Resale - Note 5	<u>2,349</u>	<u>3,282</u>
Long-Term Assets		
Taxes Receivable - Note 4	4,847	5,650
Investments - Note 6	36,545	30,356
	<u>41,392</u>	<u>36,006</u>
Total Financial Assets	<u>115,459</u>	<u>128,631</u>
Materials and Supplies	<u>3,297</u>	<u>2,476</u>
	<u><u>118,756</u></u>	<u><u>131,107</u></u>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
Current Financial Liabilities		
Accounts Payable and Accrued Charges	15,779	18,387
Taxes Collected for School Boards	11,958	11,304
Debentures and Coupons Due	1	39
Accrued Debenture, Principal and Interest	6,210	6,585
Current Portion of Capital Leases - Note 18	486	589
Current Maturities of Long-Term Debt - Note 7	7,100	16,780
	<u>41,534</u>	<u>53,684</u>
Lease Obligations - Note 18	1,950	2,008
Long-Term Debt - Note 7	42,206	49,283
Deferred Revenue	1,391	3,997
Employee Benefits - Note 14	18,855	18,167
Landfill Closure and Post Closure - Note 15	<u>10,217</u>	<u>13,143</u>
Total Financial Liabilities	<u>116,153</u>	<u>140,282</u>
Municipal Position		
Appropriated		
Committed Balances - Note 8	31,999	35,477
Reserves for Future Expenditures - Note 9	35,864	31,785
Fund Balance, End of Year	(37,904)	(46,823)
Unfunded Liabilities - Notes 14 and 15	<u>(27,356)</u>	<u>(29,614)</u>
Total Municipal Position	<u>2,603</u>	<u>(9,175)</u>
	<u><u>118,756</u></u>	<u><u>131,107</u></u>

See accompanying notes.

## Consolidated Statement of Financial Activities and Changes in Fund Balance

Budget 1999 \$ (000's) unaudited		1999 \$ (000's)	Restated (Note 21) 1998 \$ (000's)
<b>REVENUE</b>			
94,262	Taxation Revenues - Note 12	98,379	96,607
3,592	Licenses and Levies	3,608	3,975
5,508	Government Grants	6,575	5,614
24,207	Program Revenues	26,201	25,805
38,864	Fiscal Revenues	40,258	36,469
2,036	Fine Revenues	1,923	2,025
5,904	Transportation Revenues	5,940	5,717
44,228	Water and Sewer Utility Revenues	43,049	44,144
-	Other	1,653	-
<u>218,601</u>		<u>227,586</u>	<u>220,356</u>
<b>EXPENDITURES</b>			
1,742	Legislative Services	1,664	1,936
52,110	Corporate Services	47,068	56,482
52,799	Protection Services	53,511	51,156
29,793	Transportation Services	29,678	28,272
39,707	Community Services	38,645	37,951
4,476	Environmental Services	4,393	4,215
5,524	Planning and Development Services	5,236	4,827
33,554	Water and Sewer Utility	34,143	33,183
1,956	Other	2,475	1,071
<u>221,661</u>		<u>216,813</u>	<u>219,093</u>
<u>(3,060)</u>	Excess of Revenues Over Expenditures	<u>10,773</u>	<u>1,263</u>
-	Debt Issued	-	13,000
(16,780)	Principal Repayment of Long Term Debt	(16,780)	(10,108)
7,477	Other Financial Charges	16,091	3,993
<u>(9,303)</u>		<u>(689)</u>	<u>6,885</u>
-	Fund Balance, Beginning of Year	(46,823)	(48,758)
-	Transfer from (to) Unexpended Capital	2,033	(5,916)
18,664	Appropriation from Reserves	8,323	11,222
(6,207)	Appropriation to Reserves	(11,521)	(11,519)
<u>12,457</u>		<u>(47,988)</u>	<u>(54,971)</u>
<u>94</u>	Fund Balance, End of Year	<u>(37,904)</u>	<u>(46,823)</u>

See accompanying notes.

## Consolidated Statement of Changes in Financial Position

	1999 \$ (000's)	Restated (Note 21) 1998 \$ (000's)
<b>OPERATING ACTIVITIES</b>		
Excess of Revenues Over Expenditures	10,773	1,263
Equity Loss from Regina Pioneer Village	286	403
Transfer from Reserve	(12,324)	(5,933)
Capital Transactions	8,532	16,656
Change in Deferred Revenue	(2,606)	426
Net Change in Non-Cash Working Capital Balances - Note 10	<u>517</u>	<u>4,004</u>
Cash Provided by Operating Activities	<u>5,178</u>	<u>16,819</u>
<b>INVESTING ACTIVITIES</b>		
Long-Term Investment	(1,541)	5,792
Capital Outlay	<u>(31,861)</u>	<u>(38,550)</u>
Cash Used by Investing Activities	<u>(33,402)</u>	<u>(32,758)</u>
<b>FINANCING ACTIVITIES</b>		
Debt Issue	-	13,000
Debt Principal Repayments	(16,780)	(10,108)
Contributions to Capital	15,568	19,673
Government Grants	130	3,917
Land Sales	337	586
Developers' Hectarage Assessment	2,100	1,205
Transfers to Debenture Reserves	(376)	272
Water and Sewer Connections	-	68
Local Improvements	120	216
Other Sources	<u>10,273</u>	<u>5,204</u>
Cash Provided by Financing Activities	<u>11,372</u>	<u>34,033</u>
(Decrease) Increase in Cash Position	(16,852)	18,094
Cash Position, Beginning of Year	<u>61,072</u>	<u>42,978</u>
Cash Position, End of Year	<u><u>44,220</u></u>	<u><u>61,072</u></u>

Cash position includes cash and short-term investments.

See accompanying notes.

## Consolidated Statement of Changes in Unexpended Capital Financing

	1999 \$ (000's)	1998 \$ (000's)
Balance, Beginning of Year	<u>36,744</u>	<u>30,828</u>
Source of Funds		
Government Grants	130	3,917
Land Sales	337	586
Developers' Hectarage Assessment	2,100	1,205
Water and Sewer Connections	-	68
Local Improvements	120	216
Current Contributions from Operations	12,437	13,710
Debt Issue	-	13,000
Other Sources	<u>7,917</u>	<u>2,023</u>
	<u>23,041</u>	<u>34,725</u>
Use of Funds		
Acquisition of Capital Assets		
General Municipal	21,422	20,066
Water and Sewer Utility	<u>10,151</u>	<u>18,315</u>
	<u>31,573</u>	<u>38,381</u>
Transfers from Reserves and Operations	<u>6,499</u>	<u>9,572</u>
Balance, End of Year	<u><u>34,711</u></u>	<u><u>36,744</u></u>

See accompanying notes.

## Notes to Consolidated Financial Statements

### Note 1 Basis of Presentation of Financial Statements

The City of Regina (the "City") follows generally accepted accounting standards for the public sector recommended by the Canadian Institute of Chartered Accountants. The financial statements consolidate the assets and liabilities and flow of resources of all entities which are accountable to and controlled or owned by the City of Regina namely:

- Regina's Market Square
- Regina Regional Economic Development Authority
- Regina Public Library
- General Operating and Capital Funds
- Water and Sewer Utility Operating and Capital Funds
- Sinking Fund

All interfund assets, liabilities, revenues and expenditures have been eliminated.

The City has an interest in the Buffalo Pound Water Administration Board, a Government Partnership that is proportionately consolidated.

The City also has an investment in the Regina Pioneer Village, a Government Business Enterprise that is accounted for using the modified equity method.

The following entities are not part of the government reporting entity and are not included in the consolidated financial statements:

- General Trust Fund
- Regina Casual Employees' Superannuation Plan and Elected Officials' Money Purchase Pension Plan
- Regina Civic Employees' Long Term Disability Plan
- Regina Civic Employees' Superannuation and Benefit Plan
- Regina Elected Officials' Pension Plan
- Regina Police Superannuation and Benefit Plan
- Regina Chief of Police Pension Plan

As well, the assets, liabilities and operations of the school boards are not reflected in these consolidated financial statements. However, amounts owing to the school boards are reported separately on the consolidated statement of financial position.

In addition to the consolidated statement of financial position, and consolidated statements of financial activities and changes in fund balance and changes in financial position, the consolidated statement of changes in unexpended capital assets is included. This statement is used to account for the funds available for capital financing and the acquisition of capital assets.

### Note 2 Summary of Significant Accounting Policies

The consolidated financial statements of the City are the representation of management in accordance with the following accounting policies:

i) Revenue and Expenditure Recognition

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues, as they are earned and measurable; expenditures are recognized as they are incurred.

**Notes to Consolidated Financial Statements****Note 2 (continued)**

- ii) **Investments**  
All investments are recorded at cost or amortized cost. Investment earnings are accounted for on the accrual basis. Premiums and discounts are amortized over the life of the investment.
- iii) **Materials and Supplies**  
Inventories of materials and supplies are valued at average cost.
- iv) **Taxes Collected for Others**  
The City collects taxes for the Regina Public Library Board, the Regina Separate School Board and the Regina Public School Board. These taxes are remitted to the respective Boards less recovery of an amount to offset discounts, interest and cancellations relating to school taxes.
- v) **Debt**  
Debt service costs include interest payments and are a charge against current operations.
- vi) **Deferred Revenue**  
Deferred revenue is comprised of monies received in advance for taxes, transit passes and pre-season ticket sales for the various recreational facilities throughout the City.
- vii) **Long-Term Taxes Receivable**  
Long-term taxes receivable represent those property and business taxes not expected to be collected within the current year, net of an allowance for doubtful accounts.
- viii) **Superannuation and Benefit Plans**  
The City records its pension and benefit expenses based on funding requirements.

**Note 3      Short-Term Investments (\$000's)**

Short-term investments recorded at a cost of 32,974 (1998 - 51,406) have a market value approximating cost. These investments may include a combination of treasury bills, commercial paper, bankers' acceptances or promissory notes.

**Note 4      Allowance for Doubtful Accounts (\$000's)**

Taxes receivable have been reported net of an allowance for doubtful accounts of 5,657 (1998 - 3,257). The allowances have been determined through individual appraisal of outstanding amounts.

**Note 5      Property Held for Resale**

Property acquired through the tax enforcement process and temporarily held is recorded at the lesser of cost (cost equal to the outstanding taxes including any applicable penalties) and the net recoverable amount. Property held for resale has been reported net of an allowance for doubtful accounts of 798 (1998 - nil). The allowances have been determined through individual appraisal of outstanding amounts.



## Notes to Consolidated Financial Statements

## Note 6 Investments (\$000's)

Long-term investments include marketable securities recorded at an amortized cost of 29,994 (1998 - 23,519) have a market value of 30,936 (1998 - 28,844). The City also has an investment in a Government Business Enterprise, Regina Pioneer Village at a cost of 6,551 (1998 - 6,837). The following is a schedule of relevant financial information for Regina Pioneer Village:

**Regina Pioneer Village Ltd.**  
**Condensed Consolidated Statement of Unappropriated Retained Earnings**  
**For the Year ended March 31**

	1999 \$	1998 \$
Unappropriated Retained Earnings Beginning of Year	919	1,026
<b>Revenues</b>		
Regina Health District	11,520	11,029
Other Revenue	5,737	5,700
	<u>17,257</u>	<u>16,729</u>
<b>Expenses</b>		
Salaries and Wages	12,034	11,602
Other Expenses	5,076	4,941
	<u>17,110</u>	<u>16,543</u>
Appropriations to Reserves	(293)	(293)
Unappropriated Retained Earnings End of Year	<u>773</u>	<u>919</u>

**Regina Pioneer Village Ltd.**  
**Condensed Consolidated Balance Sheet**  
**As at March 31**

	1999 \$	1998 \$
Current Assets	2,614	3,229
Capital Assets	14,672	14,789
Other	481	507
	<u>17,767</u>	<u>18,525</u>
Current Liabilities	1,993	2,344
Long Term Liabilities	9,223	9,344
Member's Equity	6,551	6,837
	<u>17,767</u>	<u>18,525</u>



## Notes to Consolidated Financial Statements

## Note 7 Long-Term Debt

A. Debt (\$000's)

Year Repayable	Coupon Interest Rate %	Serial Debt	Sinking Fund Debt	Total Debt	City Debentures Held by Sinking Fund
2000	5.000 - 11.000	7,100	1,790	8,890	1,790
2001	5.375 - 17.625	7,100	3,847	10,947	3,858
2002	5.500 - 17.000	5,600	2,275	7,875	-
2003	5.500 - 10.875	5,600	1,356	6,956	814
2004	5.500 - 8.875	5,600	-	5,600	-
2005	5.625 - 9.000	5,600	-	5,600	-
2006	5.625 - 6.750	4,300	-	4,300	-
2007	5.625 - 6.750	4,300	-	4,300	-
2008	5.750	1,300	-	1,300	-
		46,500	9,268	55,768	6,462

	1999	1998
Total Debt Net of City Debt held by Sinking Fund	49,306	66,063
Current Maturities of Long-Term Debt	7,100	16,780
Long-Term Debt	42,206	49,283
	49,306	66,063

The City's authorized debt limit as at December 31, 1999 is 94,000 (1998 - 94,000) of which 55,768 (1998 - 77,459) has been utilized. Total interest incurred on the debt during 1999 was 4,561 (1998 - 4,975).

All debt is issued in Canadian dollars.

B. Sinking Fund Requirement (\$000's)

The City of Regina administers a Sinking Fund into which annual levies are deposited to retire future debt obligations. The equity in the Sinking Fund is the accumulation of the annual levies plus interest compounded annually at the rate of four percent for debt issued from 1972 to 1988 and six percent for debt issued after 1988. The annual levies for the next four years are as follows:

2000	2001	2002	2003
382	293	144	68

**Notes to Consolidated Financial Statements****Note 7 (continued)**

The Sinking Fund, amounting to 9,705 (1998 – 21,422) is included in the Consolidated Statement of Financial Position and its operations included in the Consolidated Statement of Financial Activities and Changes In Fund Balance. The Sinking Fund assets are restricted to retire City debt that is designated as supported by the Sinking Fund.

**C. Bank Indebtedness**

Pursuant to Bylaw #10152 *The Temporary Borrowing Bylaw, 1999*, the City can incur bank indebtedness. Interest on this indebtedness is calculated at the prime rate of interest less ½%, payable monthly and may have securities of the City pledged or mortgaged as security for the debt obligation. In 1999, no securities of the City were pledged as security for the debt obligation as provided by this bylaw.

**Note 8 Committed Balances (\$000's)**

At year-end the following amounts have been reserved from the fund balance for the completion or continuation of capital projects in the following areas:

	1999	1998
General Municipal	17,931	14,171
Water and Sewer Utility	14,068	21,306
	<u>31,999</u>	<u>35,477</u>

**Note 9 Reserves for Future Expenditures (\$000's)**

The City is empowered under *The Urban Municipality Act, 1984* to create, by bylaw, reserves for any purpose within the powers or duties conferred or imposed upon it by provincial legislation.

Funding for reserves is prescribed in each bylaw and may be derived from surplus monies of the City, specific budget allocations or any other sources as specified in the bylaw. Allocations to any reserve from the general operations of the City is shown as an Appropriation to Reserves on the Consolidated Statement of Financial Activities and Changes in Fund Balance. Loans from capital reserves that are being repaid by the general operations are charged against the operations in the current year and appear in the Consolidated Statement of Financial Activities and Changes in Fund Balance.

Withdrawals from reserves for either capital or operating purposes must be within the guidelines set out by the applicable bylaw. Annually, a provision is made to set aside portions of unspent budget allocations in accordance with Bylaw #8596 into a Reserve for Financial Commitments. In the subsequent year, these monies are brought into operations to be used for the purposes as set aside. The funding provided by the reserve is shown as an Appropriation from Reserves on the Consolidated Statement of Financial Activities and Changes in Fund Balance. Corresponding expenditures are shown within the program to which they pertain.

## Notes to Consolidated Financial Statements

## Note 9 (continued)

## Changes in Reserves – General Operations

	1999 \$ (000's)	1998 \$ (000's)
Balance, Beginning of Year	<u>31,925</u>	<u>29,385</u>
Source of Funds		
Contributions from Operations	20,130	20,827
Contributions from Employees	357	407
Interest Earned	184	199
Transfer from Other Funds	71	-
Other	<u>3,958</u>	<u>2,048</u>
	<u>24,700</u>	<u>23,481</u>
Use of Funds		
Equipment Maintenance and Repair	7,232	6,930
Transfers to Operations	1,957	2,999
Transfers to Capital	9,884	10,709
Other	<u>368</u>	<u>303</u>
	<u>19,441</u>	<u>20,941</u>
Balance, End of Year	<u>37,184</u>	<u>31,925</u>

## Changes in Reserves – Capital

	1999 \$ (000's)	1998 \$ (000's)
Balance, Beginning of Year	<u>(140)</u>	<u>(2,556)</u>
Source of Funds		
Contributions from Operations	267	94
Land Sales	337	586
Developers' Hectareage Assessment	1,865	1,205
Other	<u>3,882</u>	<u>2,057</u>
	<u>6,351</u>	<u>3,942</u>
Use of Funds		
Transfers to Capital Projects	7,531	1,514
Land Purchases	-	12
	<u>7,531</u>	<u>1,526</u>
Balance, End of Year	<u>(1,320)</u>	<u>(140)</u>

**Notes to Consolidated Financial Statements****Note 9 (continued)**

The balance of reserves held by the City of Regina as at December 31 is as follows:

	1999	1998
Operating Funds:		
Equipment Reserves	8,383	7,113
Insurance Reserves	3,963	3,639
General and Utility Reserves	<u>24,838</u>	<u>21,173</u>
	37,184	31,925
Capital Funds:		
General and Utility Reserves	<u>(1,320)</u>	<u>(140)</u>
	<u>35,864</u>	<u>31,785</u>

**Note 10 Net Change in Non-Cash Working Capital Balances (\$000's)**

	1999	1998
Accounts Receivable	(432)	1,925
Taxes Receivable	2,008	216
Property Held for Resale	933	212
Accounts Payable and Accrued Charges	(2,608)	(2,594)
Taxes Collected for School Boards	654	4,389
Debentures and Coupons Due	<u>(38)</u>	<u>(144)</u>
	517	4,004

**Note 11 Assets at Nominal Value (\$000's)**

Saleable land is recorded at nominal value. Proceeds from the sale of land are recorded in the General Capital Reserve as revenue in the year sold. At year-end the approximate market value of saleable land was 8,500 (1998 - 10,952).

**Note 12 Taxation Revenue (\$000's)**

	1999	1998
Total Taxation Revenue Levied	206,932	199,369
Less Taxes Collected on Behalf of:		
Regina School Division No. 4	75,512	71,327
Regina Roman Catholic Separate School Division No. 81	32,824	30,398
Regina Public Library Board	<u>10,283</u>	<u>9,653</u>
General Taxes - Municipal	88,313	87,991
Grants in Lieu	6,417	5,821
Supplementary Taxes	1,705	786
Other	<u>1,944</u>	<u>2,009</u>
	<u>98,379</u>	<u>96,607</u>

**Notes to Consolidated Financial Statements****Note 13 Superannuation and Benefit Plans (\$000's)**

All eligible employees of the City, Board of Police Commissioners and elected officials are members of a superannuation plan. The City also has a defined contribution plan for certain casual employees. The City's share of contributions is recorded as an expenditure in the year in which the contributions are due.

The Civic Employees' Superannuation and Benefit Plan also includes employees of the Regina Health District (the Regina General Hospital Division and Community Health Division), the Regina Public Library Board, the Buffalo Pound Water Administration Board and the non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan.

In addition to regular contributions, the City is required to pay on a monthly basis until December 2008, the annualized amount of 64 for unfunded past service costs in the Police Superannuation and Benefit Plan.

The most recent actuarial valuation of the Civic Employees' Superannuation and Benefit Plan that has been completed was at December 31, 1996. Based on the accrued benefit actuarial cost method, the unfunded liability on December 31, 1996 was 3,102.

The most recent actuarial valuation of the Elected Officials' Pension Plan that has been completed was at December 31, 1997. Based on the projected unit credit actuarial cost method, the excess of assets over liabilities on December 31, 1997 was 16.

The most recent actuarial valuation of the Regina Civic Employees' Long Term Disability Plan that has been completed was at December 31, 1998. Based on the accrued benefit actuarial cost method, the unfunded liability on December 31, 1998 was 2,142.

The most recent actuarial valuation of the Police Superannuation and Benefit Plan that has been completed was at January 1, 1998. Based on the accrued benefit actuarial cost method, the unfunded liability on January 1, 1998 was 25,278.

The actuarial valuation of the Chief of Police Pension Plan will be completed in the year 2000.

**Note 14 Employee Benefits (\$000's)**

Under various union agreements and benefits provided to out-of-scope staff, unused sick leave can accumulate and employees may be entitled to a cash payment when they leave the employment of the City.

Certain employees of the Police and Transit Departments are not eligible for vested sick leave benefits but may receive severance or retirement allowances.

The undiscounted liability for these accumulated costs, to the extent that they are vested and could be taken in cash by an employee on termination, amounted to approximately 10,431 (1998 - 9,773).

In addition, the City has an undiscounted liability for vacation pay of approximately 7,936 (1998 - 7,725).

In 1993, an enhanced early retirement program was offered by the City to certain employees. Employees who chose to participate in the program receive monthly incentive payments until age 65. The undiscounted liability for these incentive payments amounted to approximately 488 (1998 - 669).

**Notes to Consolidated Financial Statements****Note 15 Landfill Closure and Post-Closure (\$000's)**

The main components of the landfill closure plan are final capping using selected specific layers of earthen materials based on an engineered cap design, implementation of a drainage management plan and gas management plan. The post-closure care requirements will involve cap maintenance, groundwater monitoring, gas management system operation and maintenance, inspections and annual reports.

The estimated liability for this care is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate of 5.5%. The change in liability is recorded based on the capacity of the landfill used to date. The recorded liability is 10,217 (1998 - 13,143) based on a total estimated undiscounted outflow in the future of 32,200 (1998 - 34,200) leaving an amount to be recognized in the future of 21,983 (1998 - 21,057) over the closure and post-closure period. The liability is currently funded in the amount of 1,716 (1998 - 1,696) through a capital project in unexpended capital financing. The remainder of 8,501 (1998 - 11,447) is currently unfunded. The liability is expected to be funded through budget allocations to the landfill reserve over the remaining life of the landfill.

The estimated total capacity of the site is approximately 10.5 million tonnes, which translates to a remaining life of 11 to 13 years. Post-closure care is estimated to continue for a period of approximately 30 years.

**Note 16 Trust Funds (\$000's)**

The City of Regina administers two trust funds: Perpetual Care Trust and the Williamson Driver Award. These trusts, amounting to 2,872 and 3 (1998 - 2,895 and 3), respectively have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities and Changes In Fund Balance. Details of these funds are published in the General Trust Fund Financial Statements.

**Note 17 Related Party Transactions (\$000's)**

Accounts receivable include the following due from: The Elected Officials' Pension Plan 4 (1998 - 10); The Police Superannuation and Benefit Plan 581 (1998 - 239); The Civic Employees' Superannuation and Benefit Plan 587 (1998 - nil); the Regina Civic Employees' Long Term Disability Plan 139 (1998 - 49).

Accounts payable includes nil (1998 - 1,158) payable to the Regina Civic Employees' Superannuation and Benefit Plan.

Included in Fiscal Revenues are the following amounts: The Elected Officials' Pension Plan 4 (1998 - 14); The Police Superannuation and Benefit Plan 620 (1998 - 515); and the Civic Employees' Superannuation and Benefit Plan 606 (1998 - 558).

Included in Corporate Services and Capital Financing is 17 (1998 - 13) paid to The Casual Employees' Superannuation Plan.

**Notes to Consolidated Financial Statements****Note 18 Commitments (\$000's)**

The City is committed to the following rental payments for operating leases expiring in 2003 and 2007.

2000	150
2001	151
2002	153
2003	155
2004	132
Thereafter	293
Total Lease Payments	<u>1,034</u>

The City is committed to future minimum capital lease payments under computer equipment, software and building contracts expiring from February 29, 2000 to December 31, 2014. The following is a schedule of future minimum lease payments under the capital leases together with the balance of the obligation under capital leases:

2000	705
2001	438
2002	250
2003	189
2004	192
Thereafter	2,235
Total Minimum Lease Payments	<u>4,009</u>
Less Amount Representing Interest at 9.25% and 5.5%	<u>(1,573)</u>
Balance of Obligation	<u>2,436</u>
Less Current Portion of Obligations	<u>(486)</u>
	<u>1,950</u>

**Note 19 Government Partnership (\$000's)**

The Buffalo Pound Water Administration Board operates under an agreement between the Cities of Moose Jaw and Regina for the purpose of operating the headworks at Buffalo Pound Lake to provide a water supply to the two cities at cost. Any distribution of surplus (recovery of deficit), in a particular fiscal year is shared between the cities according to their respective usage.

The following is a schedule of a relevant financial information as stated within the financial statement of the Buffalo Pound Water Administration Board:



## Notes to Consolidated Financial Statements

## Note 19 (continued)

**Buffalo Pound Water Administration Board  
Condensed Statement of Financial Position  
As at December 31**

	1999 \$	1998 \$
Financial Assets	1,381	1,423
Other Assets	<u>51,089</u>	<u>50,736</u>
	<u><u>52,470</u></u>	<u><u>52,159</u></u>
Financial Liabilities	1,080	1,105
Equity	<u>51,390</u>	<u>51,054</u>
	<u><u>52,470</u></u>	<u><u>52,159</u></u>

**Buffalo Pound Water Administration Board  
Condensed Statement of Financial Activities  
For the Year Ended December 31**

	1999 \$	1998 \$
Revenue	5,465	5,030
Expenditures	<u>5,395</u>	<u>4,924</u>
Excess of Revenue over Expenditures	70	106
Other	<u>(70)</u>	<u>(106)</u>
Balance for the Year	<u><u>-</u></u>	<u><u>-</u></u>

All amounts are proportionately consolidated within the consolidated financial statements at 73.06% (1998 - 73.06%) the rate of the City's interest in the government business partnership.

The transactions between the City and the government business partnership as stated within the financial statements of the Buffalo Pound Water Administration Board are as follows:

	1999 \$	1998 \$
Financial Assets	332	334
Financial Liabilities	636	517
Revenue	4,585	4,159
Expenditures	390	244

All transactions between the entities are eliminated upon proportionate consolidation.



## Notes to Consolidated Financial Statements

### Note 20 Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to be certain that all aspects of the Year 2000 Issue affecting the City, including those related to the efforts of customers, suppliers, or other third parties, have been fully resolved.

### Note 21 Change in Accounting Policy (\$000's)

During 1999 the City retroactively changed its accounting policies and financial statement presentation in order to comply with generally accepted accounting principles for the public sector recommended by the Canadian Institute of Chartered Accountants. In accordance with the established recommendations, the City has retroactively recorded the following changes:

- a) Removed Capital Assets and Investment in Capital Assets; and
- b) Consolidated Buffalo Pound Water Administration Board and Regina Pioneer Village.

The effect of these changes in accounting policy on the 1998 comparative figures is as follows:

Financial Statement Item	Balance as Previously Reported (Note 22)	(a)	(b)	Balance as Restated
<b>Consolidated Statement of Financial Position</b>				
Financial Assets	127,707	-	924	128,631
Material and Supplies	2,417	-	59	2,476
Capital Assets	758,543	(758,543)	-	-
Financial Liabilities	140,096	-	186	140,282
Investment in Capital Assets	695,587	(695,587)	-	-
Committed Balances	37,861	(2,384)	-	35,477
Reserve for Future Expenditures	31,430	-	355	31,785
Unfunded Liabilities	(29,549)	-	(65)	(29,614)

#### Consolidated Statement of Financial Activities and Changes in Fund Balance

Total Revenue	219,867	-	489	220,356
Total Expenditures	218,697	-	396	219,093
Other Financial Charges	3,996	-	(3)	3,993
Fund Balance, Beginning of Year	11,292	(60,572)	522	(48,758)
Appropriation to Reserves	(11,414)	-	(105)	(11,519)
Fund Balance, End of Year	13,242	(60,572)	507	(46,823)

### Note 22 Comparative Numbers

Certain of the 1998 figures have been reclassified to conform to the 1999 financial statement presentation.

## Non-Consolidated Schedule of Financial Activities and Changes in Fund Balance

Budget 1999 \$ (000's) unaudited		1999 \$ (000's)	1998 \$ (000's)
<b>REVENUES</b>			
94,262	Taxation Revenues	98,379	96,607
3,592	Licenses and Levies	3,608	3,975
5,508	Government Grants	6,575	5,614
11,964	Program Revenues	13,913	13,980
28,478	Fiscal Revenues	30,346	28,984
2,036	Fine Revenues	1,923	2,025
5,904	Transportation Revenues	5,940	5,717
43,857	Water and Sewer Utility	42,678	43,644
-	Other	1,653	-
<u>195,601</u>		<u>205,015</u>	<u>200,546</u>
<b>EXPENDITURES</b>			
1,742	Legislative Services	1,664	1,936
26,371	Corporate Services	28,863	28,759
52,799	Protection Services	53,511	51,156
31,232	Transportation Services	31,027	29,639
28,229	Community Services	27,400	26,866
4,476	Environmental Services	4,393	4,215
4,805	Planning and Development Services	4,900	4,678
34,103	Water and Sewer Utility	34,697	33,758
-	Other	-	1,275
<u>183,757</u>		<u>186,455</u>	<u>182,282</u>
11,844	Excess of Revenues Over Expenditures	18,560	18,264
(8,817)	Principal Repayment of Long Term Debt	(8,817)	(7,715)
(9)	Other Financial Charges	(1,605)	(19)
<u>(8,826)</u>		<u>(10,422)</u>	<u>(7,734)</u>
-	Fund Balance, Beginning of Year	2,266	1,500
3,189	Appropriation from Reserves	1,824	1,650
(6,207)	Appropriation to Reserves	(11,491)	(11,414)
<u>(3,018)</u>		<u>(7,401)</u>	<u>(8,264)</u>
-	Fund Balance, End of Year	737	2,266



**City of Regina**  
**General Trust Fund**



## Auditors' Report

To His Worship the Mayor and  
Members of City Council

We have audited the balance sheet of the General Trust Fund as at December 31, 1999 and the statement of revenue, expenditures and fund balance for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the General Trust Fund as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Canada.

*Ernst & Young LLP*

Regina, Canada,  
March 11, 2000

Chartered Accountants

**Balance Sheet**

	Perpetual Care Trust \$ (000's)	Williamson Driver Award \$ (000's)	Total 1999 \$ (000's)	Restated (Note 4) Total 1998 \$ (000's)
<b>Assets</b>				
Current Assets				
Cash	31	-	31	24
Accrued Interest	55	-	55	56
	<u>86</u>	<u>-</u>	<u>86</u>	<u>80</u>
Long-Term Investments - Note 3	2,786	3	2,789	2,818
	<u>2,872</u>	<u>3</u>	<u>2,875</u>	<u>2,898</u>
<b>Liabilities and Fund Balance</b>				
Due to Other Funds	347	-	347	373
Fund Balance	2,525	3	2,528	2,525
	<u>2,872</u>	<u>3</u>	<u>2,875</u>	<u>2,898</u>

See accompanying notes.

## Statement of Revenue, Expenditures and Fund Balance

	Perpetual Care Trust \$ (000's)	Williamson Driver Award \$ (000's)	Total 1999 \$ (000's)	Restated (Note 4) Total 1998 \$ (000's)
<b>Revenue</b>				
Contributions	3	-	3	3
Investment Income	180	-	180	210
	<u>183</u>	<u>-</u>	<u>183</u>	<u>213</u>
<b>Expenditures</b>				
Refunds	1	-	1	-
Cemetery Maintenance	179	-	179	209
	<u>180</u>	<u>-</u>	<u>180</u>	<u>209</u>
Excess of Revenue over Expenditures	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>
Fund Balance, Beginning of Year as Previously Reported	2,691	3	2,694	2,685
Prior Period Adjustment (Note 4)	(169)	-	(169)	(164)
Fund Balance, Beginning of Year Restated	<u>2,522</u>	<u>3</u>	<u>2,525</u>	<u>2,521</u>
Fund Balance, End of Year	<u>2,525</u>	<u>3</u>	<u>2,528</u>	<u>2,525</u>

See accompanying notes.



## Notes to Financial Statements

### Note 1 Purpose of Fund

The General Trust Fund holds two trusts as established by the City of Regina:

- (a) Perpetual Care Trust - Established by the City of Regina under Section 19 of *The Cemeteries Act*. Funds received through the sale of cemetery plots are held in the trust and invested. Income earned on the investments is used to cover operating expenses incurred in the General Operating Fund of the City of Regina for perpetual care.
- (b) Williamson Driver Award - Established under *The Trust Act*. A bond was bequeathed to the City and each year an award is made from the income to a Transit employee with a safe driving record.

### Note 2 Summary of Significant Accounting Policies

Investment revenue is recorded on the accrual basis.

### Note 3 Long-Term Investments (\$000's)

Investments which are recorded at amortized cost of 2,789 (1998 - 2,818) have a market value of 2,892 (1998 - 3,013).

### Note 4 Prior Period Adjustment (\$000's)

In 1997 and 1998 not all income earned on the investments was allocated to cover operating expenses incurred in the General Operating Fund for perpetual care as is required by the terms of Perpetual Care. The financial statements presented for prior years have been restated as follows:

Financial Statement Item	Balanced as Previously Reported	Restatement	Balance As Restated
<b>Balance Sheet</b>			
Due to Other Funds	204	169	373
Fund Balance	2,694	(169)	2,525
<b>Statement of Revenue, Expenditures and Fund Balance</b>			
Cemetery Maintenance	204	5	209
Fund Balance Beginning of Year	2,685	(164)	2,521
Fund Balance End of Year	2,694	(169)	2,525

### Note 5 Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems, which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Fund, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

**City of Regina**

**Statistical Section**



## Assessment and Taxation Information

### Mill Rates

	Municipal	Schools	Library	Total
1995	68.930	77.400	7.350	153.680
1996	70.000	78.900	7.490	156.390
1997	17.603	19.813	1.880	39.296
1998	17.603	19.813	1.880	39.296
1999	17.937	20.189	1.916	40.042

### Taxable Assessment (\$000's)

	Property	Business	Total
1995	1,069,040	138,397	1,207,437
1996	1,075,032	141,339	1,216,371
1997	4,716,224	496,394	5,212,618
1998	4,703,059	385,455	5,088,514
1999	4,804,994	195,249	5,000,243

### Property Taxes

In 1997, the City of Regina implemented a reassessment. Property taxes are now calculated by applying a mill rate and mill rate factor to each property assessment. The mill rate and mill rate factor together are known as the tax rate. Previous to reassessment, property taxes were calculated by only applying a mill rate to each property assessment.

Mill Rate	x	Mill Rate Factor	x	Taxable Assessment	=	Property Tax
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Mill rate factors are categorized by class/sub-class. Within the Residential Class there is a single-family residential factor of 0.882, a factor for condominiums of 0.778 and a factor for multi-family housing units of 1.270. The two other classes are Commercial/Industrial with a mill rate factor of 1.220 and Agricultural with a factor of 1.220.

## Assessment and Taxation Information

### Tax Levies and Collection (\$000's)

	1995	1996	1997	1998	1999
Municipal Tax Levy	83,228	85,268	87,342	87,991	88,313
School Boards Tax Levy	93,456	95,972	98,992	101,725	108,336
Library Tax Levy	8,875	9,111	9,394	9,653	10,283
Total Tax Levy	185,559	190,351	195,728	199,369	206,932
Tax Levy Per Capita	1,006	1,027	1,049	1,063	1,083
Total Tax Arrears	13,704	12,091	12,920	10,890	10,599
Arrears as a % of Total Tax Levy	7.39%	6.35%	6.60%	5.46%	5.12%

### Major Taxpayers in Regina 1999 Taxation Year (\$000's)

Registered Owner	Total Taxable Assessment
1. Cadillac Fairview Corp. Ltd. & Eaton Prop. Ltd.	61,476
2. Saskatchewan Housing Corporation	54,936
3. Consumer's Co-operative Refineries Limited	51,847
4. Boardwalk Equities Inc.	47,882
5. Harvard Developments Ltd.	47,601
6. Ontrea Inc.	36,806
7. Continental Saxon Holdings Ltd.	31,382
8. Belfund Realty 420 Corporation	28,077
9. Laing Property Corp.	22,004
10. Saskpen Prop. Ltd., S.G.I. & Harvard Developments	18,579
11. Bentall Properties	17,748
12. Crown Life Insurance Co.	16,699
13. Credit Union Central	16,605
14. General Properties Ltd.	15,307
15. Adag Corporation Canada Ltd.	14,438

The list of major taxpayers in Regina does not include grants in lieu or payments in lieu.

## Financial Information

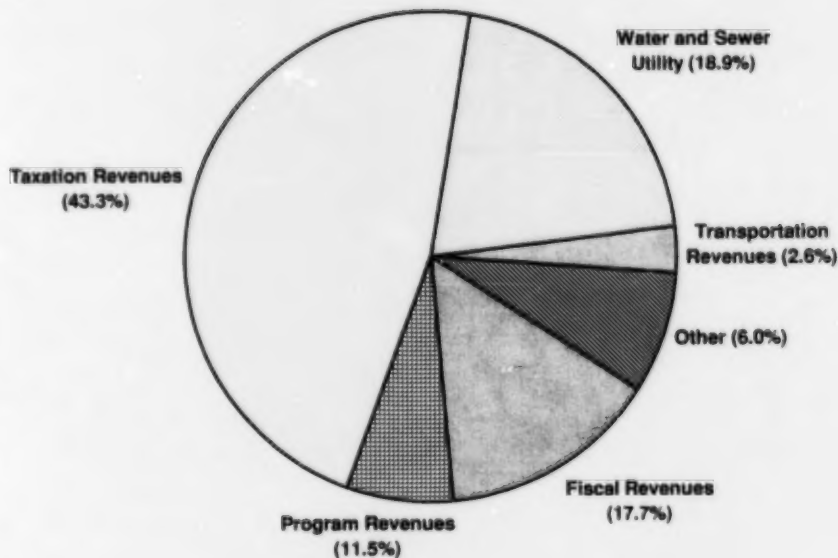
### Operating Expenditures by Object (\$000's)

	1995	1996	1997	1998	1999
Wages and Benefits	92,361	93,255	94,323	101,561	105,989
Transportation and Communication	3,713	3,855	4,288	4,574	4,509
Professional and Special Services	3,859	4,090	3,906	4,382	4,698
Utilities	9,313	9,458	9,739	10,573	10,859
Materials, Supplies and Other Goods	31,264	36,966	36,351	37,689	39,997
Transfer Payments	7,419	7,358	6,159	5,987	5,619
Finance Charges	20,792	18,802	21,958	14,133	13,217
Capital Expenditures	-	-	-	40,194	31,925
Current Contributions to Capital	12,841	13,329	13,660	-	-
	<u>181,562</u>	<u>187,113</u>	<u>190,384</u>	<u>219,093</u>	<u>216,813</u>

Information for the years from 1995 to 1997 is not consolidated; 1999 and 1998 include the information in the consolidated financial statements.

## Financial Information

### 1999 Total Revenue (\$000's)

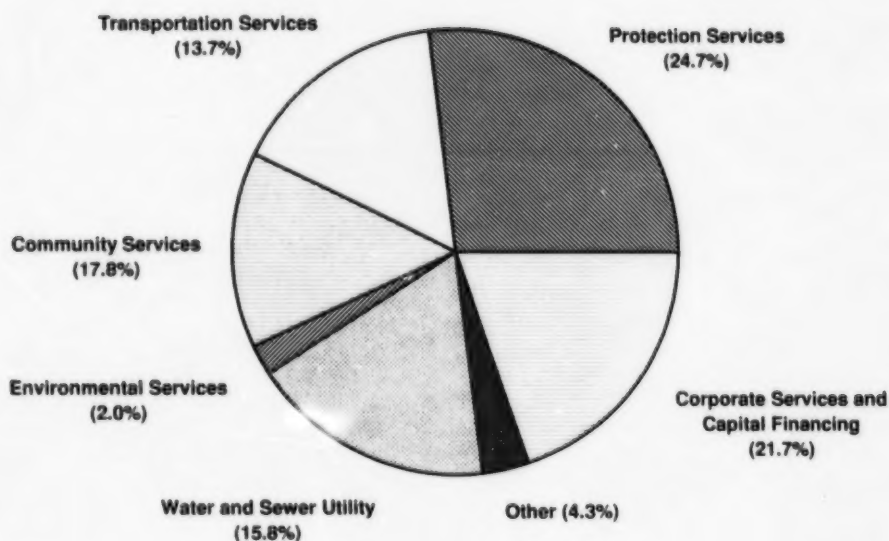


	1995	1996	1997	1998	1999
Taxation Revenues	89,941	91,727	95,089	96,607	98,379
Licences and Levies	3,108	3,443	3,496	3,975	3,608
Government Grants	11,549	11,386	5,542	5,614	6,575
Program Revenues	11,513	12,122	24,673	25,805	26,201
Fiscal Revenues	29,090	28,209	33,135	36,469	40,258
Fine Revenues	2,507	2,459	1,874	2,025	1,923
Transportation Revenues	5,189	5,499	5,302	5,717	5,940
Water and Sewer Utility	38,445	39,613	41,610	44,144	43,049
Other	-	-	-	-	1,653
	191,342	194,458	210,721	220,356	227,586

Information for the years of 1995 and 1996 is not consolidated; 1997 does not include the consolidation of the government partnership Buffalo Pound Water Administration Board; 1998 and 1999 include the information in the consolidated financial statements.

## Financial Information

### 1999 Total Expenditures (\$000's)



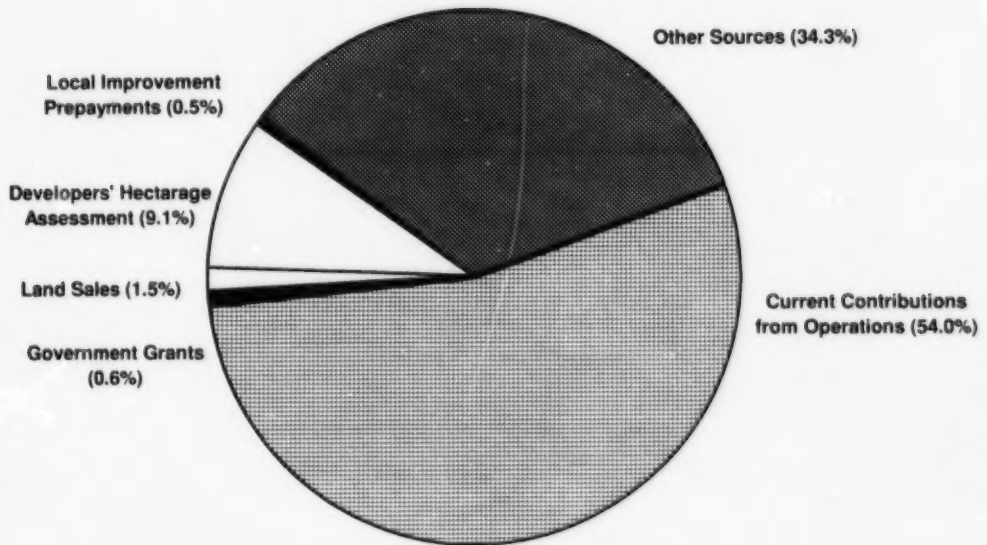
	1995	1996	1997	1998	1999
Legislative Services	1,492	1,472	2,319	1,936	1,664
Corporate Services and Capital Financing	36,977	37,302	46,556	56,482	47,068
Protection Services	50,883	51,092	50,818	51,156	53,511
Transportation Services	32,968	35,026	28,716	28,272	29,678
Community Services	24,994	25,515	37,916	37,951	38,645
Environmental Services	3,931	4,411	4,034	4,215	4,393
Planning and Development Services	2,080	1,708	4,840	4,827	5,236
Water and Sewer Utility	28,237	30,587	33,951	33,183	34,143
Other	-	-	1,195	1,071	2,475
	181,562	187,113	210,345	219,093	216,813

Information for the years of 1995 and 1996 is not consolidated; 1997 does not include the consolidation of the government partnership Buffalo Pound Water Administration Board; 1998 and 1999 include the information in the consolidated financial statements.



## Financial Information

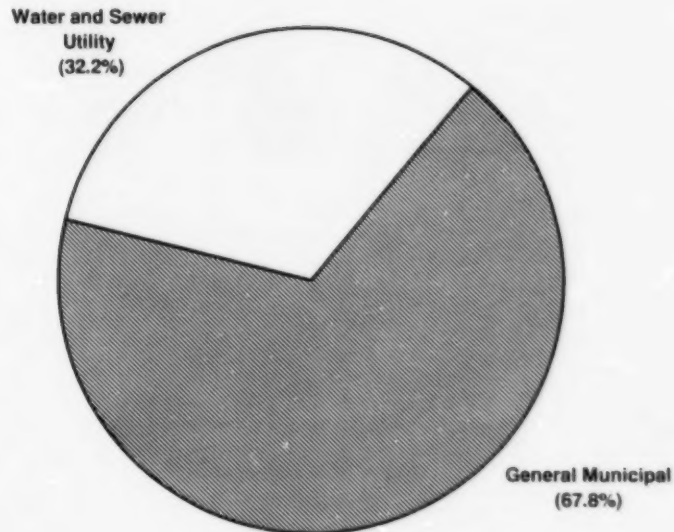
### 1999 Capital Funding (\$000's)



	1995	1996	1997	1998	1999
Government Grants	1,923	2,766	400	3,917	130
Land Sales	1,094	503	1,773	586	337
Developers' Hectarage Assessment	1,412	854	1,627	1,205	2,100
Water and Sewer Connections	121	96	153	68	-
Local Improvement Prepayments	220	137	167	216	120
Current Contributions from Operations	12,794	13,476	13,983	13,710	12,437
Debt Issue	13,000	-	30,000	13,000	-
Other Sources	438	258	1,797	2,023	7,917
	31,002	18,090	49,900	34,725	23,041

## Financial Information

### 1999 Capital Expenditures (\$000's)



	1995	1996	1997	1998	1999
General Municipal	19,848	20,591	26,408	20,066	21,422
Water and Sewer Utility	13,538	8,701	10,475	18,315	10,151
	33,386	29,292	36,883	38,381	31,573

## Debt Information

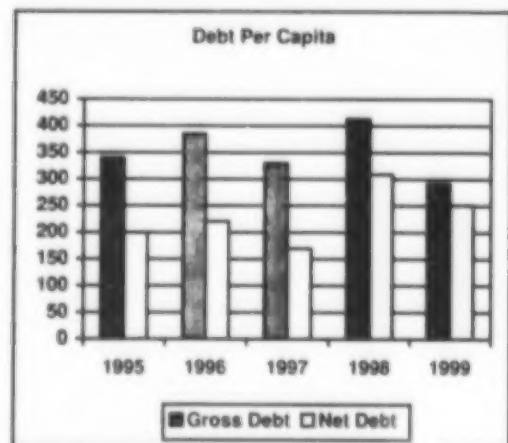
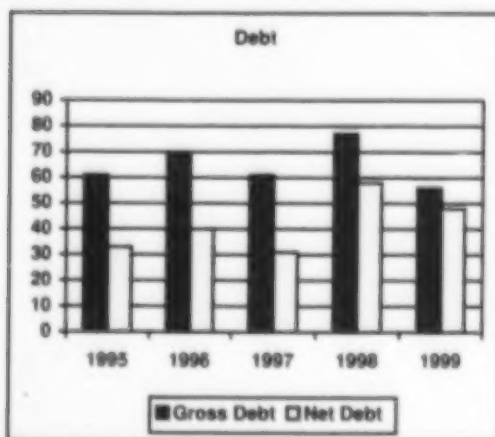
### 1999 Debt (\$000's)

	Serial Debt	Sinking Fund Debt	Total Debt	Equity in Sinking Fund	Total Debt Net of Equity in Sinking Fund
General Municipal	-	6,702	6,702	5,797	905
Water and Sewer Utility	46,500	2,566	49,066	1,906	47,160
	46,500	9,268	55,768	7,703	48,065

The City of Regina's authorized debt limit is 94,000 (1998 – 94,000). The debt limit is approved by the Saskatchewan Municipal Board pursuant to the provisions of the *The Urban Municipality Act, 1984*. Of this amount, 55,768 (1998 – 77,459) has been utilized at year-end.

The City of Regina does not have any overlapping debt from other municipalities.

All debt is issued in Canadian dollars.



## Debt Information

### Debt Service Costs (\$000's)

	1995	1996	1997	1998	1999
General Municipal Debt					
Principal	1,772	694	565	491	245
Interest	3,186	2,800	2,400	1,439	1,161
	<u>4,958</u>	<u>3,494</u>	<u>2,965</u>	<u>1,930</u>	<u>1,406</u>
Water and Sewer Utility					
Principal	4,747	3,831	6,538	7,521	7,488
Interest	5,477	4,938	6,597	5,141	4,855
	<u>10,224</u>	<u>8,769</u>	<u>13,135</u>	<u>12,662</u>	<u>12,343</u>
	<u>15,182</u>	<u>12,263</u>	<u>16,100</u>	<u>14,592</u>	<u>13,749</u>
Debt Service Costs as a Percentage of Total Expenditures (1998 and 1999 Consolidated Expenditures)	8.3%	6.5%	7.7%	6.7%	6.3%

Interest costs paid on City of Regina debt held by the Sinking Fund have not been eliminated.

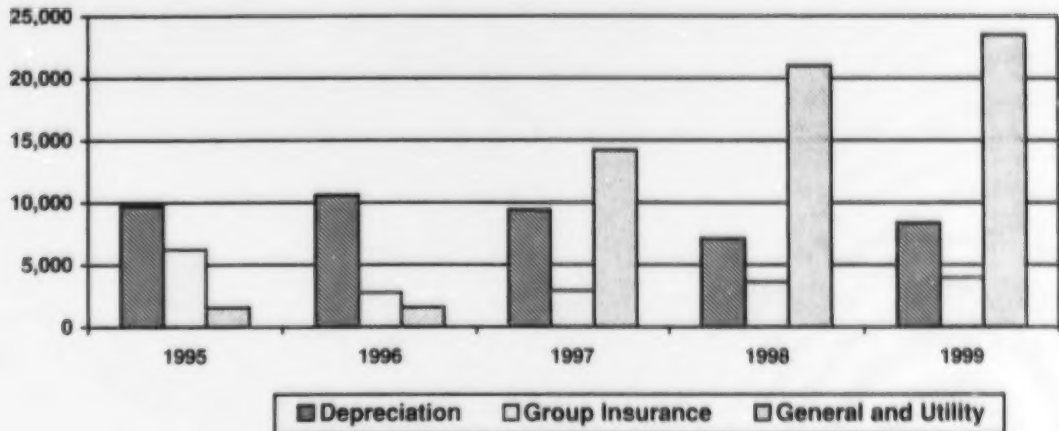
## Debt Information

### Analysis of Debt (\$000's)

	1995	1996	1997	1998	1999
Total Debt Outstanding					
- Beginning of Year	62,616	68,499	63,280	77,096	77,459
Debt Issued During Year	13,000	-	30,000	13,000	-
Debt Maturities During Year	7,117	5,219	16,184	12,637	21,691
Total Debt Outstanding					
- End of Year	68,499	63,280	77,096	77,459	55,768
Detailed Total Debt Outstanding					
- End of Year					
General Municipal	18,622	17,768	11,616	8,217	4,790
Property Owner's Share of General Local Improvements	2,755	2,596	2,513	2,389	1,912
Water and Sewer Utility	46,285	42,173	62,349	66,408	48,899
Property Owner's Share of Utility Local Improvements	837	743	618	445	167
	68,499	63,280	77,096	77,459	55,768

## Reserve Information

### Reserves for Future Expenditures (\$000's)



	Depreciation Reserves	Group Insurance Reserves	General and Utility Reserves	Total
1995	9,737	6,223	1,575	17,535
1996	10,607	2,754	1,588	14,949
1997	9,440	2,923	14,216	26,579
1998	7,113	3,639	21,033	31,785
1999	8,383	3,963	23,518	35,864

## Demographic and Economic Information

	1995	1996	1997	1998	1999
<b>Population</b>	184,300	185,400	186,600	187,500	191,160
<b>Building Permits</b>					
Number	1,221	1,350	1,462	1,491	1,472
Value (\$000's)	100,652	118,787	154,200	139,500	161,880
<b>Urban Dwelling Starts</b>					
Regina	283	304	524	639	530
<b>Inflation Rate (%)</b>					
Regina	2.0	1.8	1.4	1.7	1.8
Saskatchewan	2.1	1.8	1.3	1.4	1.9
Canada	2.1	1.6	1.6	0.9	1.7
<b>Unemployment Rate (%)</b>					
Regina	6.0	6.3	6.3	5.0	5.4
Saskatchewan	8.0	6.6	5.9	5.7	6.1
Canada	10.4	8.3	7.2	5.0	5.8
<b>Average Selling Price of Homes</b>					
Regina	76,629	76,590	82,643	85,425	90,181
Saskatchewan	74,324	77,478	83,636	87,577	91,396
Canada	152,039	153,846	155,900	152,364	158,030

Sources: City of Regina, Canadian Real Estate Association and Sask Trends Monitor.

### City of Regina Personnel

	1995	1996	1997	1998	1999
<b>Total Staff</b>	2,186	2,181	2,155	2,168	2,175
(Decrease)Increase from Previous Year	(85)	(5)	(26)	13	7

\*Full-time equivalents (permanent and casual).

## Related Boards and Authorities

**Regina Pioneer Village**

430 Pioneer Drive  
Regina, Saskatchewan S4T 6T8  
Fax: (306) 757-5001  
Phone: (306) 751-5225  
Contact: Mr. Dick Chinn

**Regina's Market Square**

206, 2314 - 11<sup>th</sup> Avenue  
Regina, Saskatchewan S4P 0K1  
Fax: (306) 359-9060  
Phone: (306) 359-7541  
Contact: Mr. John Hopkins

**Regina Regional Economic Development  
Authority (RREDA)**

255, 1919 Rose Street  
Regina, Saskatchewan S4P 3P1  
Fax: (306) 352-1630  
Phone: (306) 522-0227  
Contact: Mr. Marty Klyne

**Regina Public Library**

2311 - 12<sup>th</sup> Avenue  
P.O. Box 2311  
Regina, Saskatchewan S4P 3Z5  
Fax: (306) 352-5550  
Phone: (306) 777-6060  
Contact: Ms. Colleen Schommer

**Buffalo Pound Water Administration Board**

c/o City of Regina  
Queen Elizabeth II Court  
P.O. Box 1790  
Regina, Saskatchewan S4P 3C8  
Fax: (306) 777-6806  
Phone: (306) 777-7411  
Contact: Mr. David Calam